

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	08/22/11	Open	Action	8/9/11

Subject: Approving Fourth Amendment to the Standard Multi-Tenant Office Lease (2830 "G" Street)

ISSUE

Whether to Approve the Fourth Amendment to the Standard Multi-Tenant Office Lease (2830 "G" Street).

RECOMMENDED ACTION

Adopt Resolution No. 11-08-____, Approving Fourth Amendment to the Standard Multi-Tenant Lease with 2822 Orange Avenue, LLC (2830 "G" Street).

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	193,466.52*
Budget Source:	Local	Next FY:	\$	
Funding Source:	37 680002	Annualized:	\$	206,359
Cost Cntr/GL Acct(s) or Capital Project #:	CC 37/GL #680002	Total Amount:	\$	\$
Total Budget:	\$ 955,426-(Plus Operating Cost)			*move-out dates

*No Additional Fiscal Impacts. Savings may occur as a result of this action.

DISCUSSION

On October 2, 2000, the RT Board of Directors adopted Resolution No. 00-10-0217, approving a lease for a portion of the premises located at 2830 "G" Street, Sacramento, CA, further identified as Assessor Parcel Numbers (APN) 003-0204-009, 010,011 and 012. The lease included two 5-year options to extend the term of lease, with the latest extension expiring on June 30, 2012. The property has changed ownership several times during the lease term and is currently owned by 2822 S. Orange Ave., L.L.P (Lessor). The leased space is currently occupied by RT's Human Resources Department.

Lessor proposed an option that would allow RT to terminate the lease early if: (a) RT allowed Lessor to show the property to potential tenants on 24 hour notice; (b) Lessor finds a replacement tenant and directs RT to vacate; and (c) RT pays an early termination fee. After careful review and discussion of the proposal, RT staff negotiated a tentative lease amendment, subject to RT Board approval, that incorporates a corresponding rent reduction on the lease balance based on various move-out dates. In addition, Article 1.5 of the Lease Agreement, ("Base Rent") which permits an annual increase in rent, will be suspended.

Approved:

Presented:

Final 8/12/11

General Manager/CEO

Director of Facilities

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In an effort to reduce costs, RT's Human Resources employees will be relocated to RT's Administrative Building either at the end of the lease term or upon early lease release, whichever comes first. In the Amendment, RT would commit to move out on 30-days advance written notice from the Lessor.

Proposed early move-out dates	Early Termination Fee
September 30, 2011	\$ 24,183.36
December 31, 2011	\$ 12,091.68
March 31, 2012	\$ 4,836.67

Staff recommends that the Board delegate authority to the General Manager/CEO to approve the Fourth Amendment to the Standard Multi-Tenant Office lease (2830 "G" Street).

RESOLUTION NO. 11-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 22, 2011

**APPROVING FOURTH AMENDMENT TO THE STANDARD MULTI-TENANT LEASE
WITH 2822 ORANGE AVENUE, LLC (2830 "G" STREET)**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Fourth Amendment to the Standard Multi-Tenant office lease (2830 "G" Street) by and between the Sacramento Regional Transit District (therein "Lessee") and the 2822 Orange Avenue, LLC (therein "Lessor"), whereby Lessee and Lessor agree to amend the terms and rent of the agreement to allow Lessee an early lease release upon Lessor securing a replacement Tenant and payment by RT of an early termination fee is approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute said Lease Agreement.

DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary